

Wages

Self-Insurance Claims Adjudication Guidelines

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Computing Gross Monthly Wage

Wages at the Time of Injury [WAC 296-14-520](#), [WAC 296-14-522](#)

Time-loss compensation calculations are based on wages the injured worker was receiving at the time of injury or manifestation of occupational disease. If the worker had a second job at the time of injury, the income from this source must also be included when computing gross monthly wage.

Intent of the Law [RCW 51.08.178](#)

The intent of [RCW 51.08.178](#) is to ensure that wages are computed in a fair and equitable manner.

When computing the gross monthly wages, you should always keep in mind [RCW 51.12.010](#) which states “...This title shall be liberally construed for the purpose of reducing to a minimum the suffering and economic loss arising from injuries and/or death occurring in the course of employment”.

Compensation received as part of the contract of hire must also be included when calculating wages. A contract of hire is defined as an oral or written agreement, reached by mutual consent, between the employer and worker regarding the terms and conditions of employment. Examples could include, but are not limited to housing, meals, and commissions.

RCW 51.08.178

Before computing the workers wage, you must first determine into which subsection of [RCW 51.08.178](#) the worker’s employment pattern falls. Most employment patterns fit under subsection 1 of the statute. In order for a worker’s wage to be computed under subsection 2, the worker’s relationship to the employer of injury must be exclusively seasonal in nature, or the worker’s current employment or relationship to employment in general be essentially part-time or intermittent.

Exclusively seasonal infers that the nature of the work is such that it can only be performed at certain times of the year. Therefore, the phrase “employment exclusively seasonal” applies when the work pattern of the worker is entirely dependent upon the seasons.

It is very rare for a worker’s wages to be calculated under subsection 2 due to a designation of part-time. The claim manager should check to determine if the worker’s pattern better fits under subsection 1 even though the hours worked are less than full-time.

A worker’s employment is intermittent when the pattern is not regular or continuous and has definite starting and stopping points. (**Note:** Construction workers wages are computed under subsection 1 when the employment pattern is regular and continuous interrupted only by job completion and unavoidable layoffs.)

Payroll Documentation

Payroll documentation must be submitted to support the calculations of wages. If payroll documents don't clearly reflect how you came up with your numbers attach additional information. Clear information on wage calculations will help expedite a wage order request. For example:

- An explanation of payroll codes that are not clearly identified on payroll records.
- Adjustments made for a period of time that was excluded or adjusted to the representative period.
- Adjustments made for hours that were not included.
- Further explanation of minimally worked hours that were rolled into another rate of pay, if unable to explain on the SIF-5A. (See page 5 of the SIF-5A and [Averaging Hours Per Month \(for monthly wage – when there are multiple rates of pay\)](#) in this chapter.)
- A 3 year work history for Subsection 2 workers (seasonal/part-time/intermittent). (See [Computing Wages under Subsection 2](#) in this chapter.)

Payroll records are not required for regularly scheduled and salaried workers if the wage information (including days/hrs) on the SIF-2 from **both the worker and employer match**.

Exception: You must submit payroll records for overtime hours worked.

Do not request a wage order if you have not submitted complete documentation and explanations.

Computing Wages under Subsection 1 [RCW 51.08.178\(1\)](#)

Use the [SIF-5A](#) form to calculate gross monthly wages in accordance with [RCW 51.08.178](#), subsection 1.

Salaried Employee

Use this method when the employee earns a fixed monthly salary.

Example:

Ariel's hours and days worked varied greatly. She was not eligible for overtime and regardless of how many hours she worked, she earned \$4,700.00 per month.

Fill in this section of the [SIF-5A](#) form (page 3):

Salaried Employee	
Use this method when the employee earns a fixed monthly salary.	$\text{Monthly Salary} = \frac{\$4,700.00}{\text{Monthly Wage}}$ <p><i>Overtime hours should be calculated separately using averaging of hours.</i></p>

No payroll records will be required if the wage information the worker and the employer completes on the SIF-2 matches what is submitted on the SIF-5A. If there is a discrepancy then the insurer will need to provide a documented email, letter or phone call with the worker that resolves any discrepancy or submit payroll documentation.

Note: For a salaried employee who is overtime eligible, overtime hours should be calculated separately at the regular rate of pay on page 4 under either the section “Averaging Hours Per Day” when the worker works the same number of days of overtime a week, or the section “Averaging Hours Per Month” when the overtime days worked varies.

Regularly Scheduled Hourly Employee – Including Minor Variations

Regularly scheduled means the employee works or is scheduled to work the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week, in a regular pattern.

Use this method when the employee has only one rate of pay and works a regular schedule with only a minor variation (to determine if the schedule has more than a minor variation, use the “Calculation of Minor Variation for a Regularly Scheduled Employee” guidelines on the SIF-5A form).

No payroll records will be required if the wage information the worker and the employer completes on the SIF-2 matches what is submitted on the SIF-5A. If there is a discrepancy then the insurer will need to provide a documented email, letter or phone call with the worker that resolves any discrepancy or submit payroll documentation.

Note: Overtime hours should be calculated separately on page 4 under either the section “Averaging Hours Per Day” when the worker works the same number of days of overtime a week, or the section “Averaging Hours Per Month” when the overtime days worked varies. Overtime should be calculated at the regular rate of pay.

Example:

Martha is a cashier who is paid \$12.95 per hour and works 8 hours per day, 5 days per week.

$\$12.95 \times 8 \text{ hours} = \103.60 (daily wage)

$\$103.60 \times 22 = \$2,279.20$ (gross monthly wage)

Fill in this section of the [SIF-5A](#) form (page 3):

Regularly Scheduled Hourly Employee - Including Minor Variations																	
<p>Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.</p> <p>Note: This method is used when the employee is paid at only one rate of pay.</p> <p>If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.</p>	<p>Number of days worked per week: 5</p>																
	<p> $\frac{\\$12.95}{\text{Hourly Rate}} \times \frac{8}{\text{Hours per day}} \times \frac{22}{\text{*Days per month}} = \frac{\\$2,279.20}{\text{Monthly Wage}}$ </p>																
	<p>*Days per month are defined by law and are based on the number of days worked per week.</p>																
	<table border="1"> <thead> <tr> <th>Days worked per week</th> <th>Days per month</th> </tr> </thead> <tbody> <tr><td>1</td><td>5</td></tr> <tr><td>2</td><td>9</td></tr> <tr><td>3</td><td>13</td></tr> <tr><td>4</td><td>18</td></tr> <tr><td>5</td><td>22</td></tr> <tr><td>6</td><td>26</td></tr> <tr><td>7</td><td>30</td></tr> </tbody> </table>	Days worked per week	Days per month	1	5	2	9	3	13	4	18	5	22	6	26	7	30
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<p>"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.</p> <p>Overtime hours should be calculated separately using averaging of hours.</p>																	

This is also applicable for regularly scheduled employees that work more or less than 40 hours per week.

Example:

Jim is a shelf stocker who is paid \$11.85 per hour and works 6 hours per day, 3 days per week.

$\$11.85 \times 6 \text{ hours} = \71.10 (daily wage)
 $\$71.10 \times 13 = \924.30 (gross monthly wage)

Fill in this section of the [SIF-5A](#) form (page 3):

Regularly Scheduled Hourly Employee - Including Minor Variations																	
<p>Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.</p> <p>Note: This method is used when the employee is paid at only one rate of pay.</p> <p>If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.</p>	<p>Number of days worked per week: 3</p>																
	$\frac{\$11.85}{\text{Hourly Rate}} \times \frac{6}{\text{Hours per day}} \times \frac{13}{\text{*Days per month}} = \frac{\$924.30}{\text{Monthly Wage}}$																
	<p>*Days per month are defined by law and are based on the number of days worked per week.</p>																
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2	9																
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<p>"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.</p> <p>Overtime hours should be calculated separately using averaging of hours.</p>																	

In the significant court decision *In Re: Maggie R. Stedman*, the court found that averaging hours worked per day pursuant to [RCW 51.08.178\(1\)](#) should only be used in limited circumstances. Minor variations in hours worked should be considered self-correcting rather than the norm when establishing the number of hours worked.


To determine if there is a minor variation use this formula employing the same representative period you are choosing to use for the wage order:

- If the variation is 10% or less - use regularly scheduled to calculate the monthly wage
- If the variation is greater than 10% - use averaging to calculate the monthly wage

Example:

Ken worked for a construction company; he normally worked 10 hours per day, 4 days per week, earning \$27.75 an hour. Occasionally he was sent home early due to weather conditions. In the 3 months prior to the date of injury, he was scheduled to work 528 hours, due to weather conditions he actually worked 498 hours.

Complete this section of the [SIF-5A](#) form (page 6):

Calculation of Minor Variation for a Regularly Scheduled Employee		
<p>If the variation is less than 10%, use regularly scheduled with a minor variation to calculate the monthly wage.</p> <p>Paid Vacation and Sick Leave should be included in the Actual Hours worked.</p> <p>Do not include overtime hours in the "Actual hours worked."</p> <p>If the variation is greater than 10%, use averaging to calculate the monthly wage.</p>	Scheduled Hours:	528.00
	Actual Hours Worked:	498.00
	$\frac{498.00}{498.00} \div \frac{528.00}{528.00} = 0.94$	
	Actual Hours	Scheduled Hours
		Variation
	$1.00 - \frac{0.94}{\text{Variation}} \times 100 = 6.00$	6.00 
		% Variation

Since a variation of 6.00% would be considered a minor variation, calculate Ken's wages using "Regularly Scheduled Hourly Employee – including minor variations" as shown to calculate his wages.

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.

Note: This method is used when the employee is paid at only one rate of pay.

If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.

Number of days worked per week: 4

\$27.75

x

10

x

18

=

\$4,995.00

Hourly Rate

Hours per day

*Days per month

Monthly Wage

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.

Overtime hours should be calculated separately using averaging of hours.

Representative Period used for Averaging Hours

If the employee does not fit into one of the previous categories (Salaried or Regularly Scheduled Hourly), use the representative period and average hours. Hours should be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern. The default representative period is 3 months immediately prior to the injury. When determining the specific dates to use for the representative period, use the following number of pay periods immediately prior to the date of injury to reach 3 months:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

If the 3 month default period is not representative of the worker's employment, you may use 12 months or for bi-weekly payroll 6 months (13 full payroll periods).

Complete this section of the [SIF-5A](#) form (page 4):

Representative Period Used for Averaging Hours		
If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.	From:	6/2/2013
	To:	8/31/2013
	Reason the representative period was chosen:	
	<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)	
	<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)	
		<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)
		<input type="checkbox"/> Other period. Explain:
*When using a 3 month representative period, use the following number of pay periods: <ul style="list-style-type: none"> For monthly payroll, use 3 full pay periods. For semi-monthly payroll, use 6 full pay periods. For bi-weekly payroll, use 6.5 pay periods. For weekly payroll, use 13 full pay periods. 		

Averaging Hours per Day

When a worker has a set amount of days per week but the number of hours per day varies and there is only one rate of pay, average the number of hours per day, and multiply by the number of days worked per month using the formula in statute, to establish the gross monthly wage.

Example:

Beth is a retail clerk who earns \$10.75 per hour and works 4 days per week. The number of hours she works per day varies. Review of her payroll records show that she worked 353.6 hours in the 3 month representative period prior to her injury.

$$353.6 \text{ hours} \div 52 \text{ (\# of days worked in period)} = 6.80 \text{ (avg. hours per day)}$$

$$\$10.75 \times 6.80 \text{ (avg. hours per day)} \times 18 = \$1,315.80 \text{ (gross monthly wage)}$$

Complete this section of the [SIF-5A](#) form (page 4):

Representative Period Used for Averaging Hours		
If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.	From:	6/2/2013
	To:	8/31/2013
	Reason the representative period was chosen:	
	<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)	
	<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)	
		<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)
		<input type="checkbox"/> Other period. Explain:
*When using a 3 month representative period, use the following number of pay periods: <ul style="list-style-type: none"> For monthly payroll, use 3 full pay periods. For semi-monthly payroll, use 6 full pay periods. For bi-weekly payroll, use 6.5 pay periods. For weekly payroll, use 13 full pay periods. 		

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)				
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.	Number of days worked per week:			
	353.6	÷	52	= 6.80
	Total hours worked in the period	# of days worked in the period	Average hours per day	
Paid Vacation and Sick Leave should be included in the Total Hours Worked.	\$10.75	x	6.80	x 18 = \$1,315.80
	Hourly Rate	Average hours per day	*Days per month	Monthly Wage
Use two decimal points when calculating average hours per day. Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.				
This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.				
*Days per month are defined by law and are based on the number of days worked per week.				
Days worked per week		Days per month		
1		5		
2		9		
3		13		
4		18		
5		22		
6		26		
7		30		

Averaging Hours per Month – When Days Vary but There is only One Rate of Pay

This method is used when the number of days worked per week varies but the worker only earns one rate of pay.

Example:

Simon is a retail clerk who is paid \$11.35 per hour. He works between 3 to 6 days per week. His payroll records show that he has worked 423 hours in the 3 month default period prior to the date of injury.

423 hours ÷ 3 months = 141 (avg. hours worked per month)

141 (avg. hours worked per month) x \$11.35 (hourly rate) = \$1,600.35 (gross monthly wage)

Complete this section of the [SIF-5A](#) form (page 4):

Averaging Hours Per Month (for monthly wage)				
Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.	423	÷	3	= 141.00
	Total hours in period	# of months in period	Average hours per month	
			x \$11.35	= \$1,600.35
			Hourly Rate	Monthly Wage
This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.				

Averaging Hours per Month (for monthly wage – when there are multiple rates of pay)

In the court decision *Fred Meyer Inc. v. Shearer*, the court found that shift differential is not overtime but rather additional compensation for working undesirable hours. Shearer's wages were calculated as if she worked for two different employers.

Workers who receive an hourly rate different than the regular hourly rate of pay for working a certain shift, day of the week, or for having additional responsibilities, etc. are entitled to have that rate of pay included in their gross monthly wage.

If the hours worked for a given rate of pay average out to at least 8 hours per month, the rate will stand as a "qualified" rate of pay and cannot be rolled into any other rate of pay. If any rate of pay is "minimally worked hours" (less than 8 hours per month), you may roll it up into the next **highest** "qualified" rate of pay. If no higher rate of pay is available, then you may roll it down to the next "qualified" rate of pay available.

Qualified Rate of Pay

Rate of pay that has at least 8 average hours per month.

Minimally Worked Hours

Rate of pay that has less than 8 average hours per month.

Bundling or Rolling Rates: All or None

- If the choice to bundle rates is made, all rates with minimally worked hours should be rolled into a qualified rate.
- If the choice is to **not** bundle rates, then all rates of pay, no matter how little worked, should be shown in the calculations.

This method is for use when there are multiple rates of pay. For each pay period provide the payroll codes/description of the pay types included in that rate.

Example #1:

Colton works a rotating shift at a shoe factory. He earns different rates of pay for the day shift, the swing shift, and the night shift.

In the 3 months prior to his date of injury he worked a total of:

- 155 hours on the day shift at \$14.00 an hour
- 163 hours on the swing shift at \$16.00 an hour

- 210 hours on the night shift at \$18.00

Complete this section of the [SIF-5A](#) form (page 5):

Averaging Hours Per Month (for monthly wage - when there are multiple rates of pay)						
<p>Use this method when the employee is paid at more than one rate of pay.</p> <p>For each rate of pay, provide the payroll codes/description of the pay types included in that rate.</p> <p>If the hours worked for a given rate of pay average out to at least 8 hours per month, the rate will stand as a "qualified" rate of pay and cannot be rolled into any other rate of pay.</p> <p>If any rate of pay is "minimally worked hours" (less than 8 hours per month), you may roll it up into the next highest qualified rate of pay. If no higher qualified rate of pay is available, then you may roll it down to the highest qualified rate of pay available.</p> <p>If there are more than 5 rates of pay, attach additional pages to show how the preparer calculated the monthly wage for each additional rate of pay.</p>	Hourly Rate # 1	Payroll code(s)/description: Day shift				
		$\frac{155}{3} = 51.67 \times \$14.00 = \$723.38$				
		Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #1
	Hourly Rate # 2	Payroll code(s)/description: Swing shift				
		$\frac{163}{3} = 54.33 \times \$16.00 = \$869.28$				
		Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #2
	Hourly Rate # 3	Payroll code(s)/description: Night shift				
		$\frac{210}{3} = 70.00 \times \$18.00 = \$1,260.00$				
		Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #3
	Hourly Rate # 4	Payroll code(s)/description:				
		$\frac{0.01}{0.01} = 0.00 \times = \0.00				
		Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #4
	Hourly Rate # 5	Payroll code(s)/description:				
		$\frac{0.01}{0.01} = 0.00 \times = \0.00				
		Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #5
Total Monthly Wage	$\$723.38 + \$869.28 + \$1,260.00 + \$0.00 + \$0.00 = \$2,852.66$					
	Monthly wage, rate #1	Monthly wage, rate #2	Monthly wage, rate #3	Monthly wage, rate #4		
	Monthly wage, rate #5	Sum of monthly wage for pay rates #6 and up (from additional pages)	Total Monthly Wage			

Example #2:

Julian is a nurse at a hospital; he works various shifts and earns several different rates of pay depending on the shift.

In the 3 months prior to his date of injury he worked a total of:

- 121 hours on the regular day shift (203), at \$24.00 an hour
- 97 hours on the regular swing shift (207), at \$31.00 an hour

- 17 hours on the regular night shift (211), at \$34.00 an hour
- 4 hours at the regular day call back rate (401), at \$37.00 an hour
- 103 hours on the weekend day shift (303), at \$35.00 an hour
- 26 hours on the weekend swing shift (307), at \$42.00 an hour
- 49 hours on the weekend night shift (311), at \$47.00 an hour

Since the regular night shift (211) rate and the regular day call back rate (401) were minimally worked hours (they each averaged less than 8 hours per month), his employer chose to roll those hours into the next highest “qualified” (rate that has at least 8 average hours per month) rate of pay.

The hours for the regular night shift rate (211) at \$34.00 were rolled into the weekend day shift rate (303) at \$35.00 per hour.

The hours for the regular day call back rate (401) at \$37.00 were rolled into the weekend swing shift rate (307) at \$42.00 per hour.

Fill in this section of the [SIF-5A](#) form (page 5):

Averaging Hours Per Month (for monthly wage - when there are multiple rates of pay)										
<p>Use this method when the employee is paid at more than one rate of pay.</p> <p>For each rate of pay, provide the payroll codes/description of the pay types included in that rate.</p> <p>If the hours worked for a given rate of pay average out to at least 8 hours per month, the rate will stand as a "qualified" rate of pay and cannot be rolled into any other rate of pay.</p> <p>If any rate of pay is "minimally worked hours" (less than 8 hours per month), you may roll it up into the next highest qualified rate of pay. If no higher qualified rate of pay is available, then you may roll it down to the highest qualified rate of pay available.</p> <p>If there are more than 5 rates of pay, attach additional pages to show how the preparer calculated the monthly wage for each additional rate of pay.</p>	Hourly Rate # 1	Payroll code(s)/description: Regular day shift (203)								
		121	÷	3	=	40.33	x	\$24.00	=	\$967.92
	Total Hours	Number Months in Period	Average Hours per Month			Hourly Rate		Monthly wage for Rate #1		
	Hourly Rate # 2	Payroll code(s)/description: Regular swing shift (207)								
		97	÷	3	=	32.33	x	\$31.00	=	\$1,002.23
	Total Hours	Number Months in Period	Average Hours per Month			Hourly Rate		Monthly wage for Rate #2		
	Hourly Rate # 3	Payroll code(s)/description: Regular night shift (211) & weekend day shift (303)								
		120	÷	3	=	40.00	x	\$35.00	=	\$1,400.00
	Total Hours	Number Months in Period	Average Hours per Month			Hourly Rate		Monthly wage for Rate #3		
	Hourly Rate # 4	Payroll code(s)/description: Regular day call back rate (401) & weekend swing shift (307)								
		30	÷	3	=	10.00	x	\$42.00	=	\$420.00
	Total Hours	Number Months in Period	Average Hours per Month			Hourly Rate		Monthly wage for Rate #4		
	Hourly Rate # 5	Payroll code(s)/description: Weekend night shift (311)								
		49	÷	3	=	16.33	x	\$47.00	=	\$767.51
	Total Hours	Number Months in Period	Average Hours per Month			Hourly Rate		Monthly wage for Rate #5		
Total Monthly Wage		\$967.92	+	\$1,002.23	+	\$1,400.00	+	\$420.00	+	
	Monthly wage, rate #1	Monthly wage, rate #2	Monthly wage, rate #3	Monthly wage, rate #4						
	\$767.51	+		=	\$4,557.66					
	Monthly wage, rate #5	Sum of monthly wage for pay rates #6 and up (from additional pages)	Total Monthly Wage							


Non-Standard Wage

This section should be used when a worker is paid in a non-standard way, (i.e. by the mile or trip, commission, or piecework, etc.) For these workers, the monthly wage will be used. Choose a representative period that reflects only the current rate(s) of pay (i.e. the rate(s) of pay in effect on the date of injury). Remember to exclude bonuses (bonuses are added into the wage in another section of the form).

Example:

Juan is a truck driver that is paid by the mile. In the past 3 months he earned a total of \$10,976.00 excluding his bonuses. He is paid by the month.

Fill in this section of the [SIF-5A](#) form (page 6):

Non-Standard Wage											
<i>Use this method when the employee is paid in a non-standard way, for example by the mile or trip, or commission or piecework.</i>	Explain how the employee is paid, and at what "rate", if applicable: Worker is a truck driver paid .28¢ a mile and drove 39,200 miles during this period. 										
	Representative Period: From: 3/1/2011 To: 5/31/2011										
<i>For these employees, the monthly wage will be used.</i>	Reason the representative period was chosen:										
	<input checked="" type="checkbox"/> 3 months immediately prior to injury (default) <input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods) <input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the wages) <input type="checkbox"/> Other period. Explain:										
<i>Choose a representative period that reflects only the current rate(s) of pay (i.e. the rate(s) of pay in effect on the date of injury).</i>	<div style="border: 1px solid black; border-radius: 50%; padding: 10px; width: fit-content; margin: 10px auto;"><table><tr><td>\$10,976.00</td><td>÷</td><td>3</td><td>=</td><td>\$3,658.67</td></tr><tr><td>Total compensation for the representative period</td><td></td><td># of months in the representative period</td><td></td><td>Monthly Wage</td></tr></table></div>	\$10,976.00	÷	3	=	\$3,658.67	Total compensation for the representative period		# of months in the representative period		Monthly Wage
\$10,976.00	÷	3	=	\$3,658.67							
Total compensation for the representative period		# of months in the representative period		Monthly Wage							
<i>Exclude bonuses - see "SIF-5A - Sub 3" form.</i>											

Overtime [WAC 296-14-530](#)

Overtime wages are not included in the computation of gross monthly wages under subsection 1. However, if a worker has a consistent pattern of overtime, their gross monthly wage should take into account the overtime hours worked at their regular rate of pay.


For salaried and regularly scheduled hourly employees overtime hours are calculated separately using averaging of hours for the overtime hours (see page 3 and 4 of the [SIF-5A](#)).

- Use Averaging Hours per Day only when the worker has a consistent pattern of overtime the same number of days per week. This rarely occurs because most workers do not work scheduled overtime the same number of days per week.
- Use Averaging Hours per Month when a worker has sporadic overtime which varies with no set pattern (i.e., a worker may work overtime one day one week, none the next, then 2 days the week following, skipping the next 2 weeks, etc.).
- Submit payroll records which show the overtime hours worked.


Example:

Barbara is a construction worker who makes \$20.65 an hour. Her scheduled work week is 8 hours per day, 5 days per week. However, several days a month she works extra hours. She is paid time and a half for her overtime hours. A review of her payroll records show she worked 84 overtime hours in the representative 3 month period prior to her injury.

Fill in this section of the [SIF-5A](#) form (page 3):

Regularly Scheduled Hourly Employee - Including Minor Variations																	
<p>Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation.</p> <p>TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.</p> <p>Note: This method is used when the employee is paid at only one rate of pay.</p> <p>If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.</p>	<p>Number of days worked per week: 5</p> <div><div><div>\$20.65</div><div>x</div><div>8</div><div>x</div><div>22</div><div>=</div><div>\$3,634.40</div></div><div><div>Hourly Rate</div><div>Hours per day</div><div>*Days per month</div><div>Monthly Wage</div></div></div>																
	<p>*Days per month are defined by law and are based on the number of days worked per week.</p>																
	<table border="1"><thead><tr><th>Days worked per week</th><th>Days per month</th></tr></thead><tbody><tr><td>1</td><td>5</td></tr><tr><td>2</td><td>9</td></tr><tr><td>3</td><td>13</td></tr><tr><td>4</td><td>18</td></tr><tr><td>5</td><td>22</td></tr><tr><td>6</td><td>26</td></tr><tr><td>7</td><td>30</td></tr></tbody></table>	Days worked per week	Days per month	1	5	2	9	3	13	4	18	5	22	6	26	7	30
	Days worked per week	Days per month															
	1	5															
2	9																
3	13																
4	18																
5	22																
6	26																
7	30																
<p>"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.</p>																	
<p>Overtime hours should be calculated separately using averaging of hours. </p>																	

Calculate the overtime by completing this section of the [SIF-5A](#) form (page 4):

Averaging Hours Per Month (for monthly wage)	
<p>Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.</p>	<div><div><div>84</div><div>÷</div><div>3</div><div>=</div><div>28.00</div><div>x</div><div>\$20.65</div><div>=</div><div>\$578.20</div></div><div><div>Total hours in period</div><div># of months in period</div><div>Average hours per month</div><div>Hourly Rate</div><div>Monthly Wage</div></div></div>
	<p>This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried. </p>

For all other subsection 1 workers that do not work regularly scheduled hours per day or days per week, overtime hours will be included in the total hours used to average hours by the day or month for that worker.

When a worker earns comp time (time off work granted in lieu of overtime pay) it is viewed as a deferred payment of overtime wages. Therefore, the hours worked to earn the comp time would be counted at the regular rate of pay (same as overtime) when averaging hours. Later when the comp time is taken, you would exclude those hours from the worked hours.

Other Compensation, Tips, Gratuities, etc. [WAC 296-14-522](#)

This section is where you enter other types of compensation; some are listed on the form such as commission, housing/board, fuel, etc. Less common compensations such as, longevity pay, education allowance, cash out of vacation leave, etc. will need to be explained. Any compensation listed in the section “Other (explain below)” should include an explanation (i.e. \$55.00 per month for longevity pay).

Tips are considered wages when the worker reports them to the employer for federal income tax purposes, or when they are distributed by the employer to the employee.

Gratuities are mandatory service charges added to a customer’s check by management. Similar to tips they shall be considered as wages only if they are reported for federal income tax purposes or when they are distributed by the employer to the employee.

Fill in this section of the [SIF-5A](#) form.

Other Compensation		
<i>Enter the monthly value for any type of compensation the employee may have received in addition to hourly wages or health care benefits.</i>	Tips/Gratuities:	
	Housing/Board:	
	Fuel:	
	Commission:	
	Transportation:	
	Other (explain below): \$55.00	
	Description of "other" wages:	Monthly longevity pay.
Total monthly value of other compensation: \$55.00		

Computing Wages under Subsection 2 [RCW 51.08.178\(2\)](#)

Subsection 2 should be used to calculate wages when the worker’s relationship to the employer of injury is exclusively seasonal in nature or the worker’s relationship to their employment is essentially part-time or intermittent.

The monthly wage is determined by dividing by 12 the total wages earned, including overtime, from all employment in any 12 successive calendar months preceding the injury. Obtain a work history from the worker showing all employment for a minimum of 3 years prior to the date of injury/occupational disease. The work history must include employer names, dates/periods of

employment and an explanation of any significant gaps in employment. Obtain documentation of gross wages, including overtime, from all employment for the entire period covered by the work history. Select a 12 month period for averaging wages that fairly represents the worker's earning history and explain why that period was chosen.

Part-Time/Intermittent

Employers should review an injured worker's intent with regard to their work pattern in order to determine if the worker is part-time or intermittent. An employee's work pattern may appear irregular or non-continuous; however, if the employee's intent was to secure full-time employment throughout the year, i.e. they worked for several months, were on unemployment benefits due to an unavoidable layoff for a few weeks then worked again for several months, they would not be an intermittent worker and wages should be calculated using the formula under Subsection 1.

In the Supreme Court case *Dept. of L&I v. Avundes*, the Supreme Court held that Avundes was **not** an essentially part-time or intermittent employee, finding instead that he did general farm work and that such work was generally available during all seasons. Though his work history reflected an intermittent pattern (19 jobs in 14 months), Mr. Avundes was either working or looking for work and it was his intent to secure full-time employment throughout the year. The Court concluded that a worker should not be penalized because prior employment was irregular or uncontinuous. The court stated, "...There is no logical reason why a claimant should be penalized solely because his prior employment was irregular or uncontinuous. Such a rule would be unfair to an employee who had worked a series of jobs before being injured, and it would shift the analysis away from the proper focus on the injured worker's lost earning capacity..." "...Avundes intent was to work full-time and Avundes' work history showed a consistent pattern of working or looking for work..." "... We find the Court of Appeals correctly concluded subsection (1) applies to Avundes in determining his workers' compensation benefits".

School district employees, whose contract is for working less than year round, have their wages calculated under subsection 2 (*School District No. 401 v. Minturn*).

Part-Time

Part-time means the worker has **no set schedule or discernible pattern** and the hours spent at that employment are significantly less than the number of hours typically worked by employees in that industry.

Example:

Charlotte is a retired department store employee. She fills in for ill employees a few days each year. In the twelve months prior to the date of her injury she grossed a total of \$1,235.00 from all employment.

$\$1,235.00 \div 12 \text{ (months)} = \$102.92 \text{ (gross monthly wage)}$

Fill in this section of the [SIF-5A](#) (page 7) form:

Use this subsection ONLY for employees with a seasonal or intermittent schedule.

The monthly wage for seasonal/intermittent employees is determined by dividing by 12 the total wages paid to the employee - *including overtime, but excluding bonuses* - from all employment in any 12 successive calendar months preceding the injury. The 12 month period chosen should fairly represent the employee's employment pattern.

Period used for averaging wages:

From: 2/1/2011 To: 1/31/2012

Why was this period chosen?

If fairly represents the worker's pattern of employment. During 2010 she was off work due to an unrelated medical condition so that period would not be appropriate.

<p>Total wages includes all monies paid to the employee during the period chosen, including wages for any additional jobs. (Exclude bonuses - see "SIF5A - Sub 3" form)</p>	<p>\$1,235.00</p> <p>Total Wages</p>	<p>÷ 12</p> <p>Months</p>	<p>= \$102.92</p> <p>Monthly Wage</p>
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Intermittent

Intermittent means the pattern is sporadic, has definite starting and stopping points and there are significant gaps in between.

Example:

Tylen is a college student who works at a retail store during spring and winter break, she has no other employment. In the twelve months prior to the date of her injury she grossed a total of \$7,356.00 from all employment.

$$\$7,356.00 \div 12 \text{ (months)} = \$613.00 \text{ (gross monthly wage)}$$

Fill in this section of the SIF-5A form (page 7):

Use this subsection ONLY for employees with a seasonal or intermittent schedule.

The monthly wage for seasonal/intermittent employees is determined by dividing by 12 the total wages paid to the employee - *including overtime, but excluding bonuses* - from all employment in any 12 successive calendar months preceding the injury. The 12 month period chosen should fairly represent the employee's employment pattern

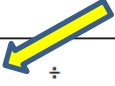
Period used for averaging wages:

From: 4/15/2012 To: 4/14/2013

Why was this period chosen?

It is representative of her employment for the past 2 years while she has been working here and going to college.

Total wages includes all monies paid to the employee during the period chosen, including wages for any additional jobs. (Exclude bonuses - see "SIF5A - Sub 3" form)



\$7,356.00	÷	12	=	\$613.00
Total Wages		Months		Monthly Wage

Seasonal

When determining whether a worker is seasonal, consider the worker's relationship to the employer. Exclusively seasonal means that the work the worker was hired to perform for the employer can only be carried out during a particular time of year.

Example:

Tyler was injured harvesting apples for a farm, harvesting apples was the only work he was hired to do by that farm. In the 12 months prior to the date of his injury he grossed a total of \$19,543.00 from all employment.

$$\$19,543.00 \div 12 \text{ (months)} = \$1,628.58 \text{ (gross monthly wage)}$$

Note: If Tyler would have been injured harvesting apples, yet he also worked for the farm throughout the year performing general farm labor, then his relationship to that employer would not have been seasonal and his wages would have been calculated under subsection 1. (See *Double D Hop Ranch v. Sanchez*.)

Fill in this section of the [SIF-5A](#) form (page 7):

Use this subsection ONLY for employees with a seasonal or intermittent schedule.

The monthly wage for seasonal/intermittent employees is determined by dividing by 12 the total wages paid to the employee - *including overtime, but excluding bonuses* - from all employment in any 12 successive calendar months preceding the injury. The 12 month period chosen should fairly represent the employee's employment pattern.

Period used for averaging wages:

From: 8/1/2011 To: 7/31/2012

Why was this period chosen?

It is the period immediately prior to the date of injury and seems to reflect his work pattern for the past 3 years based on his work history.

Total wages includes all monies paid to the employee during the period chosen, including wages for any additional jobs. (Exclude bonuses - see "SIF5A - Sub 3" form)

\$19,543.00	÷	12	=	\$1,628.58
Total Wages		Months		Monthly Wage

Calculating Wages under Subsection 4 [RCW 51.08.178\(4\)](#)

“Like” Employees

If a worker does not have a regular, set schedule and has not worked long enough to establish a pattern the monthly wage shall be computed on the basis of the usual wage paid other employees engaged in “like” or similar occupations where the wages are fixed.

Review more than 1 “like” employee to ensure a fair representation of the employee’s wage. (We recommend you review at least 3 individual “like” employees.) Use a similar time period for each employee reviewed.

Example:

Conner started working as a bagger for a grocery store on June 2nd. He was told he would be earning \$11.35 per hour and his days and hours would vary depending on store need. On June 10th, he slipped on a wet floor falling and breaking his leg.

To determine the gross monthly wage review the pattern of employment for other “like” employees. There are several baggers working for the same store, pick 3 that were hired to work schedules similar to Conner.

After reviewing payroll records it was determined that the 3 consecutive months prior to Conner’s date of injury was a fair representation of the work pattern. In those 3 months;

- “Like” employee #1 worked 288 hours
- “Like” employee #2 worked 294 hours
- “Like” employee #3 worked 301 hours

Choose one of the “like” employees. In this case we will choose #2 since it appears that there was not a large discrepancy between the hours and #2 is likely a good representation of the hours Conner would be working.

Fill in this section of the [SIF-5A](#) form (page 9):

Use this subsection to calculate the monthly wage where a wage has not been fixed, or cannot be reasonably and fairly determined. The wage will be calculated on the basis of the usual wage paid other employees engaged in like or similar occupations where the wages are fixed.

Review more than 1 "like" employee to ensure a fair representation of the employee's wage. (We recommend you review at least 3 individual "like" employees.) Use a similar time period for each employee reviewed.

Explain why the employee's wages cannot be reasonably and fairly determined based on their own employment record:

Conner was hired to work a varied schedule and had only been working a few days when he was injured.

For each "like" employee reviewed, provide the "like" employees job title. For privacy, don't include the "like" employees' name:

"Like" Employee #1's Job Title: Grocery store bagger

"Like" Employee #2's Job Title: Grocery store bagger

"Like" Employee #3's Job Title: Grocery store bagger

For each "like" employee above, complete and attach the appropriate Wage Calculation Form(s) and the Total Monthly Wage Summary form, using the "like" employee's employment pattern.

Which "like" employee has been chosen as the basis for the employee's monthly wage?

#2



Why did you chose this "like" employee?

There was not a large discrepancy between the hours and #2 is likely a good representation of the hours Conner would have been working.



Don't forget to also submit the calculation sheets for all of the "like" employees.

Claim Number:	0	Claimant Name:	Like employee #1	Date of Injury:	1/0/1900
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Representative Period Used for Averaging Hours

If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.

From:	3/3/2013	To:	6/1/2013
Reason the representative period was chosen:			
<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)			
<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)			
<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)			
<input type="checkbox"/> Other period. Explain:			

*When using a 3 month representative period, use the following number of pay periods:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.	Number of days worked per week:				Use two decimal points when calculating average hours per day. Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.
	\div	0.1	=	0.00	
Paid Vacation and Sick Leave should be included in the Total Hours Worked.	Total hours worked in the period	# of days worked in the period	Average hours per day		
	\times	0.00	\times	=	\$0.00
This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.	Hourly Rate	Average hours per day	*Days per month	Monthly Wage	
	*Days per month are defined by law and are based on the number of days worked per week.				
	Days worked per week	Days per month			
	1	5			
	2	9			
	3	13			
	4	18			
	5	22			
	6	26			
	7	30			

Averaging Hours Per Month (for monthly wage)

Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.	288	\div	3	=	96.00	\times	\$11.35	=	\$1,089.60
	Total hours in period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Claim Number:	0	Claimant Name:	Like employee #2	Date of Injury:	1/0/1900
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Representative Period Used for Averaging Hours

If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.	From:	3/3/2013	To:	6/1/2013
	Reason the representative period was chosen:			
	<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)			
	<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)			
<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)				
<input type="checkbox"/> Other period. Explain:				

*When using a 3 month representative period, use the following number of pay periods:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.	Number of days worked per week:				Use two decimal points when calculating average hours per day. Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.
		÷	0.1	=	
Paid Vacation and Sick Leave should be included in the Total Hours Worked.	Total hours worked in the period	# of days worked in the period	Average hours per day		
This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.	Hourly Rate	Average hours per day	*Days per month	=	\$0.00 Monthly Wage
*Days per month are defined by law and are based on the number of days worked per week.					
Days worked per week		Days per month			
1		5			
2		9			
3		13			
4		18			
5		22			
6		26			
7		30			

Averaging Hours Per Month (for monthly wage)

Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.	294	÷	3	=	98.00	x	\$11.35	=	\$1,112.30
	Total hours in period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Claim Number:	0	Claimant Name:	Like employee #3	Date of Injury:	1/0/1900
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Representative Period Used for Averaging Hours

If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.

From:	3/3/2013	To:	6/1/2013
Reason the representative period was chosen:			
<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)			
<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)			
<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)			
<input type="checkbox"/> Other period. Explain:			

*When using a 3 month representative period, use the following number of pay periods:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.	Number of days worked per week:			
	\div	0.1	=	0.00
Paid Vacation and Sick Leave should be included in the Total Hours Worked.	Total hours worked in the period	# of days worked in the period	Average hours per day	
	\times	0.00	\times	\$0.00
This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.	Hourly Rate	Average hours per day	*Days per month	Monthly Wage
	*Days per month are defined by law and are based on the number of days worked per week.			
	Days worked per week	Days per month		
	1	5		
	2	9		
	3	13		
	4	18		
	5	22		
	6	26		
	7	30		

Averaging Hours Per Month (for monthly wage)

Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.	301	\div	3	=	100.33	\times	\$11.35	=	\$1,138.75
	Total hours in period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Computing Bonuses – Subsection 3 [RCW 51.08.178\(3\)](#), [WAC 296-14-522](#)

Bonuses are included in the calculation of wages if they were received by the worker in the 12 months immediately preceding the date of injury or manifestation. The monthly value of the bonus is calculated by dividing all bonuses paid during that period by 12.

Example:

Shane works for an airplane manufacturing company. He sustains an injury on January 8th. In the month previous, Shane had received a \$7,800.00 year end production bonus.

$$\$7,800.00 \text{ (bonus)} \div 12 \text{ months} = \$650.00 \text{ (average monthly value of bonus)}$$

Fill in this section of the [SIF-5A](#) form (page 8):

Use this subsection if the employee received any bonuses in the 12 months prior to the date of injury.		
"Bonuses" include any additional monetary payment in relation to the employee's contribution to the employer.		
Bonuses may include incentive pay, safety bonuses, anniversary pay, and more.		
What was the amount of total bonuses?	What kind of bonus was it (incentive pay, safety bonus, etc.)?	
\$7,800.00	Year-end production bonus	
$\$7,800.00$	\div 12	$=$ \$650.00
Total bonus amount in last 12 months	Months	Monthly Value of Bonuses

Health Care Benefits [RCW 51.08.178](#), [WAC 296-14-524](#), [WAC 296-14-528](#)

In the *Cockle v. Dept. of L&I* decision the Supreme Court held that the value of employer-provided health care benefits is another type of compensation which must be included when computing wages. The amount of the employer's actual contribution on the date of injury to medical, dental, and/or vision coverage for the worker and all other persons covered on the worker's policy must be included.

For any benefit period that the employer continues their contribution towards health care benefits at the same rate as they did on the date of injury, the contribution amount will not be included in the calculation for gross monthly wages. When the employer stops contributing towards health care benefits, the amount of the employer contribution should be included in the gross monthly wage, even if the worker has not lost health care coverage due to a banked hours system, family medical leave act, etc. (*Dept. of L&I v Granger*).

Example:

Anthony was injured on October 21, 2010; he was off work from the date of injury through December 15, 2010. At the time of his injury he was earning \$4,800.00 per month and his employer was contributing \$620.00 per month towards his health care benefits. The employer did not contribute to his union health care benefits after the date of injury. Due to his banked hours he never lost his health care benefits. Since his employer stopped their contributions to his health care benefits immediately, his gross monthly wage for his time-loss calculation for the day after the injury would be \$5,420.00.

The monthly amount of an employer's contribution to health care benefits is determined by whether the employer pays:

- A set amount for the month, or
- An hourly contribution for hours worked.

Example:

If the employer contributes \$3.50 per hour to a union health care benefit, and the worker averaged 196 hours per month during the representative period, the health care benefit would be calculated at: 196 hours x \$3.50 per hour = \$686.00 per month

Employers who contribute to health care benefits for their workers are required to calculate two gross monthly wages on each claim: one wage that includes the value of the employer's contribution to health care benefits, and one that does not.

Example:

Angela is a supervisor with a monthly salary of \$3,800.00. In addition to her salary, the employer contributes \$300.00 per month for medical, dental, and vision coverage for Angela and her family.

Gross monthly wage at the time of injury:

Excluding the value of health care benefits: \$3,800.00

(This is the gross monthly wage which will be used as long as the employer continues to contribute to health care benefits.)

Including the value of health care benefits: $\$3,800.00 + \$300.00 = \$4,100.00$

(This is the gross monthly wage which will be used if the employer stops contributing to health care benefits.)

If an employer stops contributing to different benefits at different times, then it will be necessary to compute more than two wages. For example, the employer stops contributing towards dental but continues their contribution for medical benefits, at that point the value of the dental contribution would be included as part of the gross monthly wage. If the employer later ceases to contribute towards medical benefits the value of that contribution would then be included into the gross monthly wage also.

Example:

Shayla is a secretary with a monthly salary of \$4,200.00. In addition to her salary, the employer contributes \$250.00 per month for medical and \$100.00 per month for dental coverage for Shayla and her family.

Gross monthly wage at the time of injury:

Excluding the value of health and dental care is \$4,200.00 (This is the gross monthly wage which will be used as long as the employer continues to contribute to health and dental benefits.)

Including the value of dental benefits: $\$4,200.00 + \$100.00 = \$4,300.00$

(This is the gross monthly wage which will be used if the employer stops contributing to dental benefits but continues to contribute to health care benefits.)

Including the value of dental and health care benefits: $\$4,200.00 + \$250.00 + 100.00 = \$4,550.00$ (This is the gross monthly wage which will be used if the employer stops contributing to dental and health benefits.)

Wage Calculation Examples

Example 1:

On April 5, 2013, Colby injured his back lifting a computer at work. At the time of his injury he was working 8 hours per day, Monday through Friday, and earned \$27.50 per hour. He also had a part-time job on the weekend earning \$400.00 per month. His employer contributed \$525.00 per month to his health care benefits. He was married and had 2 dependents under the age of 18.

SIF5-A TOTAL Monthly Wage
Summary

Wage calculation cover sheet: Use applicable following subsections to autofill parts of this summary form.

Claim Number:	S123456	Claimant Name:	Colby			
Date of Injury:	4/5/2013	Employer Name:	Helpful Hints Computer Tips			
Preparer Name:	Cathy, Claim Manager					
Date Form(s) Prepared:	4/15/2013	Preparer Phone:	360-555-5555	Ext.	450	

Wage Order	
Are you requesting a wage order be issued on this claim?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Bonuses	
Complete this section, and attach an SIFSA - Sub 3 form, if the employee received any bonuses.	Monthly Value of Bonuses: \$0.00

Health Care Benefits			
Complete this section if the employer contributed at the time of injury.	Monthly contribution to medical benefits:	\$525.00	Date coverage will end: 12/31/2013
	Monthly contribution to dental benefits:		Date coverage will end:
	Monthly contribution to vision benefits:		Date coverage will end:
	Monthly contribution to health care benefits:	\$525.00	

Other Compensation		
Enter the monthly value for any type of compensation the employee may have received in addition to hourly wages or health care benefits.	Tips/Gratuities:	Driver Mileage:
	Housing/Board:	Equipment/Clothing:
	Fuel:	Driver pickup/delivery:
	Commission:	Piecework:
	Transportation:	Other (explain below):
	Description of "other" wages:	
	Total monthly value of other compensation: \$0.00	

Additional Jobs (Other Employers) - for Sub 1 only				
Wages from each job held by the employee at the time of injury must be included in the calculation of the employee's total monthly wage.	Did the employee have more than one paying job at the time of injury?			<input checked="checked" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, complete separate wage calculation worksheet(s) for each job.			
	\$400.00	+		= \$400.00
	Monthly wage, additional Employer #1: C&C Landscaping	Monthly wage, additional Employer #2: (Enter Name)	Monthly wage, additional Employer #3: (Enter Name)	Monthly wage for all additional jobs

TOTAL MONTHLY WAGE - from SIF5A Calculation forms, and above												
<u>\$4,840.00</u>	+	<u>\$0.00</u>	+	<u>\$0.00</u>	+	<u>\$400.00</u>	=	<u>\$5,240.00</u>	+	<u>\$525.00</u>	=	<u>\$5,765.00</u>
Monthly Wage for job of injury (from Sub 1 or Sub 2 form)		Monthly Value of Bonuses (from Sub 3 form)		Monthly Value of Other Compensation		Monthly Wage for All Additional Jobs		Sub - Total of Monthly Wage		Monthly Value of Health Care Benefits		TOTAL MONTHLY WAGE

TIME-LOSS COMPENSATION RATE CALCULATION					
Date of Injury: 4/5/2013					
Marital/Domestic Partnership status at date of injury: <input type="checkbox"/> Single, Divorced or Widowed <input checked="" type="checkbox"/> Married, Separated or Domestic Partnership					
Number of eligible dependents at date of injury: 2					
Time-Loss Compensation Rate, Excluding Health Care Benefits This time-loss rate will be used as long as the employer continues to contribute to the employee's health care benefits.	\$5,240.00	x	69%	=	\$3,615.60
	Sub - Total of Monthly Wage		% based on family / dependents		*Monthly TL Compensation Rate
				÷	30
				=	\$120.52
					*Daily TL Compensation Rate
*In no event will the monthly/daily rate exceed the maximum, or will it fall below the minimum, allowed by law (RCW 51.32.090). Does the employee's rate, above, exceed the maximum allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does the employee's rate, above, fall below the minimum allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
If yes, what is the maximum (or minimum) daily rate this employee can receive?					
Time-Loss Compensation Rate, Including Health Care Benefits This time-loss rate will be used when the employer stops contributing to the employee's health care benefits.	\$5,765.00	x	69%	=	\$3,977.85
	Total Monthly Wage		% based on family / dependents		*Monthly TL Compensation Rate
				÷	30
				=	\$132.60
					*Daily TL Compensation Rate
*In no event will the monthly/daily rate exceed the maximum, or will it fall below the minimum, allowed by law (RCW 51.32.090). Does the employee's rate, above, exceed the maximum allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does the employee's rate, above, fall below the minimum allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
If yes, what is the maximum (or minimum) daily rate this employee can receive?					
The time-loss rate(s) on this page reflect the rate as of the date of injury. This rate can change: <ul style="list-style-type: none"> It may decrease if dependent(s) reach an age where they are no longer eligible to be included. It may increase due to cost of living adjustments. 					

Claim Number:	0	Claimant Name:	Colby	Date of Injury:	4/5/2013
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Use this subsection to calculate the base monthly wage for all employees. The default category for wage is Subsection 1.

HOWEVER - If the employee is seasonal/intermittent - use the SIF5A Subsection 2.

If using a "like" employee to determine the wage you must also use the SIF5A Subsection 4.

Choose the method that most closely represents the employment pattern for the employee.

Salaried Employee

Use this method when the employee earns a fixed monthly salary.

$$\text{Monthly Salary} = \text{Monthly Wage}$$

Overtime hours should be calculated separately using averaging of hours.

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.

Note: This method is used when the employee is paid at only one rate of pay.

If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.

Number of days worked per week:

$$\begin{array}{ccccccc} \$27.50 & \times & 8 & \times & 22 & = & \$4,840.00 \\ \text{Hourly Rate} & & \text{Hours per day} & & \text{*Days per month} & & \text{Monthly Wage} \end{array}$$

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.

Overtime hours should be calculated separately using averaging of hours.

For any additional jobs, a wage calculation on the appropriate section of a **separate SIF-5A** form should be completed. You do not need to send in a full SIF-5A for the additional job, only the portion used to calculate the wages. For this example since Colby's hours and days varied during the month for his other job. He worked 96 hours in the representative period. His wages for that job were calculated using the "Averaging Hours Per Month" section and the representative period was 3 months prior to the injury.

Representative Period Used for Averaging Hours*				
If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.	From:	1/1/2013		To: 3/31/2013
	Reason the representative period was chosen:			
	<input checked="" type="checkbox"/> 3 months immediately prior to injury (default)			
	<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)			
<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)				
<input type="checkbox"/> Other period. Explain:				
<p>*When determining the specific dates to use for the representative period, use the following number of full pay periods.</p> <ul style="list-style-type: none"> For monthly payroll, use 3 full pay periods. For semi-monthly payroll, use 6 full pay periods. For bi-weekly payroll, use 6.5 pay periods. For weekly payroll, use 13 full pay periods. <p style="text-align: right;"><i>Attach corresponding payroll documentation for the representative period.</i></p>				
Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)				
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.	Number of days worked per week:			
		÷	0.01	= 0.00
	<i>Total hours worked in the period</i>		<i># of days worked in the period</i>	<i>Average hours per day</i>
	Use two decimal points when calculating average hours per day.			
	Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.			
	x	0.00	x	= \$0.00
<i>Hourly Rate</i>		<i>Average hours per day</i>	<i>*Days per month</i>	<i>Monthly Wage</i>
*Days per month are defined by law and are based on the number of days worked per week.				
Days worked per week		Days per month		
1		5		
2		9		
3		13		
4		18		
5		22		
6		26		
7		30		
Averaging Hours Per Month (for monthly wage)				
Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.	96	÷	3	= 32.00
	<i>Total hours in period</i>		<i># of months in period</i>	<i>Average hours per month</i>
		x	\$12.50	= \$400.00
			<i>Hourly Rate</i>	<i>Monthly Wage</i>

Example 2:

Kristen was injured at work on May 2, 2013. At the time of her injury she was working 5 days per week but her hours varied. Her employer contributed \$867.00 per month to her health care benefits. Kristin was single with 3 dependent children under the age of 18. In the 3 months prior to her injury she worked 546 hours, earning \$22.97 per hour.



Wage calculation cover sheet: Use applicable following subsections to autofill parts of this summary form.

Claim Number:	S123456	Claimant Name:	Kristen
Date of Injury:	5/2/2013	Employer Name:	Super Plus Plumbing
Preparer Name:	Cathy, Claims Manager		
Date Form(s) Prepared:	5/4/2013	Preparer Phone:	360-555-5555
		Ext.	250

Wage Order	
Are you requesting a wage order be issued on this claim?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Bonuses	
Complete this section, and attach an SIF5A - Sub 3 form, if the employee received any bonuses.	Monthly Value of Bonuses: \$0.00

Health Care Benefits			
Complete this section if the employer contributed at the time of injury.	Monthly contribution to medical benefits:	\$867.00	Date coverage will end: 5/4/2014
	Monthly contribution to dental benefits:		Date coverage will end:
	Monthly contribution to vision benefits:		Date coverage will end:
	Monthly contribution to health care benefits: \$867.00		

Other Compensation		
Enter the monthly value for any type of compensation the employee may have received in addition to hourly wages or health care benefits.	Tips/Gratuities:	Driver Mileage:
	Housing/Board:	Equipment/Clothing:
	Fuel:	Driver pickup/delivery:
	Commission:	Piecework:
	Transportation:	Other (explain below):
	Description of "other" wages:	
Total monthly value of other compensation: \$0.00		

Additional Jobs (Other Employers) - for Sub 1 only															
Wages from each job held by the employee at the time of injury must be included in the calculation of the employee's total monthly wage.	Did the employee have more than one paying job at the time of injury? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No														
	If yes, complete separate wage calculation worksheet(s) for each job.														
	<table border="0"> <tr> <td>_____</td> <td>+</td> <td>_____</td> <td>+</td> <td>_____</td> <td>=</td> <td>\$0.00</td> </tr> <tr> <td>Monthly wage, additional Employer #1: (Enter Name)</td> <td></td> <td>Monthly wage, additional Employer #2: (Enter Name)</td> <td></td> <td>Monthly wage, additional Employer #3: (Enter Name)</td> <td></td> <td>Monthly wage for all additional jobs</td> </tr> </table>	_____	+	_____	+	_____	=	\$0.00	Monthly wage, additional Employer #1: (Enter Name)		Monthly wage, additional Employer #2: (Enter Name)		Monthly wage, additional Employer #3: (Enter Name)		Monthly wage for all additional jobs
	_____	+	_____	+	_____	=	\$0.00								
Monthly wage, additional Employer #1: (Enter Name)		Monthly wage, additional Employer #2: (Enter Name)		Monthly wage, additional Employer #3: (Enter Name)		Monthly wage for all additional jobs									

TOTAL MONTHLY WAGE - from SIF5A Calculation forms, and above						
\$4,244.90	+	\$0.00	+	\$0.00	+	\$0.00
Monthly Wage for job of injury (from Sub 1 or Sub 2 form)		Monthly Value of Bonuses (from Sub 3 form)		Monthly Value of Other Compensation		Monthly Wage for All Additional Jobs
				Sub - Total of Monthly Wage	+	Monthly Value of Health Care Benefits
					=	\$5,111.90
						TOTAL MONTHLY WAGE

TIME-LOSS COMPENSATION RATE CALCULATION					
Date of Injury: 5/2/2013					
Marital/Domestic Partnership status at date of injury: <input checked="" type="checkbox"/> Single, Divorced or Widowed <input type="checkbox"/> Married, Separated or Domestic Partnership					
Number of eligible dependents at date of injury: 3					
Time-Loss Compensation Rate, Excluding Health Care Benefits This time-loss rate will be used as long as the employer continues to contribute to the employee's health care benefits.	\$4,244.90	x	66%	=	\$2,801.63
	Sub - Total of Monthly Wage		% based on family / dependents		*Monthly TL Compensation Rate
				÷	30
				=	\$93.39
					*Daily TL Compensation Rate
*In no event will the monthly/daily rate exceed the maximum, or will it fall below the minimum, allowed by law (RCW 51.32.090). Does the employee's rate, above, exceed the maximum allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does the employee's rate, above, fall below the minimum allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what is the maximum (or minimum) daily rate this employee can receive?					
Time-Loss Compensation Rate, Including Health Care Benefits This time-loss rate will be used when the employer stops contributing to the employee's health care benefits.	\$5,111.90	x	66%	=	\$3,373.85
	Total Monthly Wage		% based on family / dependents		*Monthly TL Compensation Rate
				÷	30
				=	\$112.46
					*Daily TL Compensation Rate
*In no event will the monthly/daily rate exceed the maximum, or will it fall below the minimum, allowed by law (RCW 51.32.090). Does the employee's rate, above, exceed the maximum allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does the employee's rate, above, fall below the minimum allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what is the maximum (or minimum) daily rate this employee can receive?					
The time-loss rate(s) on this page reflect the rate as of the date of injury. This rate can change: <ul style="list-style-type: none"> It may decrease if dependent(s) reach an age where they are no longer eligible to be included. It may increase due to cost of living adjustments. 					

Representative Period Used for Averaging Hours			
If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.	From:	1/27/2013	To: 4/26/2013
	Reason the representative period was chosen:		
	<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)		
	<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)		
	<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)		
<input type="checkbox"/> Other period. Explain:			
<p>*When using a 3 month representative period, use the following number of pay periods:</p> <ul style="list-style-type: none"> For monthly payroll, use 3 full pay periods. For semi-monthly payroll, use 6 full pay periods. For bi-weekly payroll, use 6.5 pay periods. For weekly payroll, use 13 full pay periods. 			
Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)			
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.	Number of days worked per week:		
	546	÷ 65	= 8.40
	Total hours worked in the period	# of days worked in the period	Average hours per day
Paid Vacation and Sick Leave should be included in the Total Hours Worked.	\$22.97	x 8.40	x 22 = \$4,244.90
	Hourly Rate	Average hours per day	*Days per month Monthly Wage
This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.	*Days per month are defined by law and are based on the number of days worked per week.		
	Days worked per week	Days per month	
	1	5	
	2	9	
	3	13	
	4	18	
	5	22	
	6	26	
7	30		